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ABSTRACT

In response to a 1982 directive by the Florida Legislature, the State Department of Education conducted a comprehensive study of financial assistance programs available to the state's postsecondary education students. The study sought to establish goals for student aid programs which would promote maximum effectiveness of state funding; to determine the extent to which existing programs meet student financial needs and postsecondary costs; and to identify alternative ways through which existing programs and resources could meet the needs of students, their families, and educational institutions. The study design involved a description of the state postsecondary system and its future needs; a historic profile of financial aid applicants and the type and amount of awards granted; an examination of aid programs available; a description of an ideal or desired aid policy; and the identification of possible changes in the existing system. An examination of student and college records, a survey of high school seniors, and interviews with college personnel and students led to 24 recommendations, including that: (1) the existing statutory aid policy should be maintained with modifications; (2) a minimum grade point average of 2.0 should be required for financial aid; and (3) community colleges should be permitted to levy an additional student fee for financial aid purposes. Data on sources of aid, recipient characteristics, student costs, aid awards, sector enrollments and national comparisons, and funding options simulations are appended. (HB)

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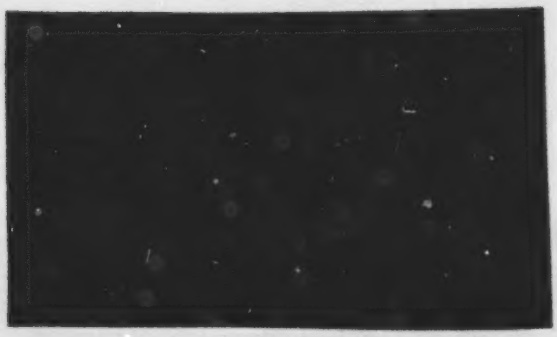
STUDENT FINANCIAL AID

IN FLORIDA

FINAL REPORT

AND RECOMMENDATIONS

A study conducted pursuant to
Item 248D, Chapter 82-215
Laws of Florida



FLORIDA: A STATE OF EDUCATIONAL DISTINCTION. "On a statewide average, educational achievement in the State of Florida will equal that of the upper quartile of states within five years, as indicated by commonly accepted criteria of attainment." Adopted, State Board of Education, Jan. 20, 1981

January, 1983

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Executive Summary

The 1982 Legislature directed the Department of Education to conduct a study of student financial assistance programs in Florida. The findings and recommendations resulting from the study are to be used by the Legislature in developing a comprehensive statewide financial aid policy.

Throughout the conduct of the study many persons at both the State and institutional levels were invited to provide technical and advisory assistance. Although the study focused on State aid programs, attention was also given to Federal and institutional aid and the manner in which all grant, loan, and work resources are combined to assist individual recipients. The overall thrust of the study was the identification of priorities for State aid which will provide for the most effective use of the funds available.

The current enunciation of State financial aid policy, contained in Section 240.437, Florida Statutes, states "the objectives of the State program shall be the maintenance of a State financial aid program to supplement the basic national program which will provide equal access to post high school education to Florida citizens who have the ability and motivation to benefit from post high school education." The study concluded that the State's statutory policy objectives remain essentially as sound today as when first adopted in 1970. The study emphasized that the most critical objective from the standpoint of sound financial aid policy is that student aid be provided on the basis of demonstrated financial need. However it was observed that much of the growth in student aid funding in Florida in recent years has occurred in non-need based programs.

In suggesting procedural and programmatic changes to the current State aid framework, the study presents 24 recommendations in 16 general areas. The intended outcomes of these policy options are:

- To distribute available aid primarily on the basis of financial need, giving priority to those individuals with the greatest "absolute" need.

- To recognize the critical role played by student self-help activities such as work and loans in financing postsecondary education and to provide opportunities in these areas.

- To focus greater attention on the academic performance of financial aid applicants.

- To extend aid to all levels of postsecondary education including vocational education in the public and independent sectors.

- To better coordinate State aid with both Federal and institutional aid resources.

- To provide a financial aid mechanism for addressing severe shortages of skilled personnel in areas specifically identified by the State, for example math and science teachers.

- To strengthen and continue the administration of State financial aid programs by a central State agency.

Finally, a major outcome of the study is the initiation of the development of a computer simulation model to assess the impact of various policy decisions relating to State aid programs - method of determining need, level of appropriations, tuition charges, award amounts - in the distribution of aid to individual students, institutions and sectors. This model will be available for current and future planning by the Department, the State Board of Education, and the Legislature.

The specific recommendations of the study are:

State Student Financial Aid Policy

1. The statute which framed the policy objectives for the state student financial aid program essentially remains as sound as when it was first adopted. The existing policy should be reconfirmed with several modifications.

State Grant Programs

2. Students should be required to apply for Pell Grants when they apply for State grants and the Pell awards should be considered in any assessment of students' available resources.

3. The Florida Student Assistance Grants (FSAG) should be maintained with priority for fund distribution to applicants with the greatest absolute need based on their total family resources.

4. The Tuition Voucher Program should be converted to a need-based grant program for students attending eligible independent colleges and universities in Florida.

5. The Academic Scholars Program should be allowed to complete its first year of implementation under the procedures and criteria enacted by the 1982 Legislature before evaluating its effectiveness and recommending any further modifications.

Work Study Program

6. The College Career Work Experience Program should complete its first year of implementation prior to an evaluation of its effectiveness.

7. A portion of the OPS (Other Personnel Services) Funds available at public postsecondary institutions should be directed to students with demonstrated financial need.

Standards of Academic Eligiblity

8. A minimum grade-point average of 2.0 or "C" should be required of aid applicants for both initial receipt and renewal of FSAG, Tuition Voucher and State work experience program awards.

9. Beginning in 1984-85, those colleges and universities which offer Associate of Arts or Bachelor Degree programs should be required to administer the College Level Academic Skills Test (CLAST) in order for their students to be eligible for participation in State financial aid programs.

Independent Student Status

10. Classification of State aid applicants as independent should generally be limited to those students who are 22 years of age or older.

Graduate Students

11. While priority for State aid funds should continue to be placed on serving undergraduate students, options for providing additional support for graduate students should be considered.

Part-Time Students

12. Need-based State aid programs should continue to be limited to full-time students. Financial assistance for part-time students should be provided through Federal, institutional, and other resources.

Community Colleges

13. Each community college should be authorized to levy an additional student fee of up to $1.00 o[illegible]re per credit hour or credit hour equivalent, to be used solely for financial aid purposes, the maximum amount to be established and subsequently modified as required by the State Board of Education.

State University System

14. Consideration should be given to the consolidation and increase of the two student fees - General Student Aid and Student Financial Aid - currently being assessed in the universities and application of the same statewide criteria for use of these fees as suggested for the proposed community college fee.

Vocational Education

15. The Division of Vocational Education should cooperate with FSFAC and other appropriate entities in the development of an in-service training program to increase the participation of

district operated vocational-technical centers in Federal aid programs for which they are eligible.

16. By 1984-85, institutions in the public vocational sector should be included in need-based State grants if they are eligible to participate in the Pell Grant or Guaranteed Student Loan (GSL) Programs, and if they are complying with all applicable laws and rules including the charging of fees within the range established by the State Board of Education.

Independent Business and Trade Schools

17. By 1984-85, licensed, accredited independent business and trade schools should be included in the Florida Student Assistance Grant Program if they are eligible to participate in the Pell Grant or Guaranteed Student Loan Programs.

Aid to Meet Critical Labor Market Needs

18. The Teacher Scholarship Program currently included in the 1983-85 budget request of the Department of Education should receive full consideration and support. In addition, the State should establish a Loan Forgiveness Fund for Florida students trained in fields where serious personnel shortages exist such as Math and Science Education, who obtain in-state employment in these areas of specialization.

Student Loans

19. Standby authority should be established for the issuance of Student Loan Revenue Bonds to permit Florida to serve as a secondary market or direct lender in the event that a significant limitation on availability of low interest student loans occurs either in general or for specific types of students such as those pursuing graduate or vocational studies.

Program Management

20. As a means of strengthening the administration of financial aid programs by a central State agency, the Legislature and the Department of Education should take the necessary steps to implement the recommendations contained in the 1982 Performance Audit of the Florida Student Financial Assistance Commission conducted by the Auditor General.

21. The Department of Education should annually review and validate a random sample of State grant award recipient records to determine the accuracy of the eligibility information provided.

22. Consideration should be given to the more complete use of available Federal revenues for the enhancement of the administration of the Florida Guaranteed Student Loan Program.

Student Financial Aid Data Base

23. The Department of Education should institute the necessary steps to develop and periodically update an inventory of all sources of financial aid received by postsecondary students in Florida.

Student Financial Aid Statutory Revision

24. Consideration of Student Financial Aid issues by the 1983 Florida Legislature should include a thorough review and revision of the Florida Statutes (Chapter 240, Part IV) on Scholarship and Financial Aid.

Introduction

In response to a directive by the 1982 Legislature (Item 248D, Chapter 82-215, Laws of Florida) the Department of Education conducted a comprehensive study of student financial assistance programs available to postsecondary education students in Florida. State policy in this area was examined with particular attention given to the following objectives:

(1) The need to establish goals for the State's student aid programs and methods for setting priorities of these goals so that the State's programs, in tandem with Federal programs, will promote maximum effectiveness of State funding.

(2) The determination of how, and to what extent, existing Federal, State, and institutional aid programs work together to meet student financial need and postsecondary costs.

(3) The identification of alternative ways through which existing programs and available resources can best serve the needs of students and their families, and institutions and the State.

To assist in conducting the study, the Department enlisted the support and guidance of representatives of the Office of the Governor, the Legislature, public and independent postsecondary institutions, the Postsecondary Education Planning Commission, the Florida Student Financial Assistance Commission, the Student Financial Aid Advisory Council, student financial aid directors, students, a team of independent consultants, and other knowledgeable

individuals. A list of these resource persons is included as Appendix A of this report.

The design for the study involved five phases:

1. Describe Florida Postsecondary Education in the 1980s and project the kinds of educational services needed in the State over the next 10 to 15 years.

2. Compile historic and current profiles on individual aid applicants and postsecondary institutions including the types and amounts of student aid distributed.

3. Profile the financial aid programs available in Florida with regard to such aspects as their objectives, eligibility criteria and source of funding.

4. Describe an ideal or desired financial aid policy for Florida.

5. Identify modifications in Florida's student financial aid programs and procedures which are required to implement the State policy determined in Phase 4.

The first phase of the study was completed in July, 1982, and resulted in a document based primarily on information collected by the Postsecondary Education Planning Commission in the development of its Master Plan for Florida Postsecondary Education. Other references included the Master Plans being formulated by the Board of Regents and Community College Coordinating Board. The Phase 1 Report contains summary data on the demographic composition of the State's population, current postsecondary education delivery systems, enrollment and attendance patterns and emerging trends and educational needs.

Phases 2 and 3 of the study were conducted concurrently and involved the collection and review of detailed information on the major student financial aid programs and resources in Florida. Attention was focused on 1981-82 as the most recent year for which data were available. In addition, historical information on the distribution of state and federal aid over the past six years was compiled. This period of time was selected to permit a comparison of funding levels both before and after enactment of the federal Middle Income Student Assistance Act of 1978. During this phase consideration was also given to aid initiatives being developed or proposed in other states. In order to accomplish its objectives this portion of the study required a significant amount of computer programming and data analysis in three areas:

1. Development of an unduplicated Master File from the Student Financial Assistance Commission records of all applicants (over 116,000) for state administered aid programs - student assistance grants, vouchers, academic scholars and guaranteed student loans.

2. Development and distribution of a survey of sample individual student records from this applicant pool to determine the typical patterns and combinations of aid which occur.

3. Development and distribution of an institutional survey to compile profile information particularly with regard to the amount and types of aid resources available at the institutional level.

These activities could not have been accomplished without the excellent cooperation and support of the Student Financial

Assistance Commission as well as the aid administrators, registrars, admissions officers, and other institutional personnel who participated. Appendix B contains selected data tables developed or reviewed during this phase. More complete information on this portion of the study is found in a Background Paper dated November 1, 1982.

Study staff also cooperated with representatives of the Board of Regents in the development of a survey of high school seniors. The survey, which is scheduled to be conducted during the Spring Semester in 1983, is designed to obtain information on the academic preparation of these students as well as their future academic and career interests and financial aid needs. The results of this effort should be available for consideration by the 1983 Legislature.

The Department of Education contracted with three independent consultants - Mr. William Clohan, Dr. Jerry Davis, and Dr. Sam Kipp - to assist with the development of an ideal or desired aid policy for Florida. Brief descriptions of the qualifications of these individuals are found in Appendix C. The consultants were asked to review Florida's current aid policy and programs, support alternative policy options, and provide their professional judgment as to the most appropriate course of action for the State to pursue. Following a preliminary examination of Florida statutes and rules and the information gathered during the first three phases of the project, the consultants conducted on-site interviews with representatives of all significant entities involved in the study. This process resulted in the creation of a discussion paper which was widely circulated to members of the Study Advisory Committee and others for review and comment in November of this year. A follow-up to this initial paper was also distributed which provided an

analysis and simulations of the specific impact of the major policy options proposed by the consultants. A major outcome of the study will be the in-house capability of the Department to continue producing such simulations based on the most current applicant data available.

A meeting of the Advisory Committee, two of the consultants and the study coordinators was held in Tallahassee on December 21, 1982. The primary purpose of the meeting was to permit input from all interested parties in the development of the final report for the study.

The recommendations enunciated and explained on the following pages suggest policies and procedures to address key issues identified through the entire study process. Several of the policy proposals, particularly those relating to the voucher and grant programs, do not represent the consensus of all sector representatives. They are, however, in the opinion of the consultants and the majority of those involved in the study, the appropriate steps needed to place Florida's programs and policies in a position to respond to student financial aid needs in the coming years.

STUDENT FINANCIAL AID STUDY

POLICY RECOMMENDATIONS

State Student Financial Aid Policy

1. The statute which framed the policy objectives for the state student financial aid program essentially remains as sound as when it was first adopted. This existing policy should be reconfirmed with several modifications.

Although the current statutory policy is now more than 12 years old the basic guidelines it provides remain relevant in the current financial aid climate with few exceptions. The following modifications to Section 240.437(2) are suggested:

240.437 Student financial aid planning and development. - (2) "The objective of the state program shall be the maintenance of a ~~state~~ financial aid program to supplement the basic national program and other available resources which will provide equal access to postsecondary ~~post-high-school~~ education to Florida citizens who have the ability and motivation to benefit from such ~~post-high-school~~ education. In the development of a state program to achieve this objective it shall be policy that:

(a) Student financial aid be provided primarily on the basis of financial need;

(b) Students receiving need-based financial aid be expected to contribute toward their cost of education through self-help resources such as savings, work, and loans.

(c ~~-b-~~) Admission to institutions, and demonstrated performance be the criteria for eligibility for financial aid;

(d ~~-c-~~) Student financial aid be available to Florida residents for attendance at accredited postsecondary education institutions ~~of--higher-education~~ in Florica, public or private;

(e ~~-d-~~) Student financial aid be provided for all levels of postsecondary ~~high-school~~ education; and

(f ~~-e-~~) State student financial aid be administered by a central state agency."

Each of these changes reflect specific recommendations on the following pages. While all of these statutory objectives are important, the most critical one from the standpoint of sound financial aid policy is that student aid be provided on the basis of demonstrated financial need. Making the state program "primarily" need-based permits the creation and continuation of programs which recognize outstanding academic achievement or which are used to attract individuals into training fields where critical labor market shortages exist. Establishment of some consistent minimum standards of "demonstrated performance" as a condition for eligibility will reinforce the goal that state aid be directed to those with the ability to benefit from further education. Reference to "self-help" is added in recognition of the critical and growing role this source of support will continue to play in light of fiscal limitations at all levels. Use of the term "postsecondary" rather than "higher education" underscores the objective that State aid be available for all levels of education beyond high school.

State Grant Programs

2. Students should be required to apply for Pell Grants when they apply for State grants and the Pell awards should be considered in any assessment of students' available resources.

This practice will ensure that Pell Grants, the largest single source of need-based grant aid for Florida Students - $84 million in 1981-82 - will be fully employed by eligible applicants before supplementing these Federal funds with State aid. The aid application processes currently employed by Florida institutions make it possible for students to apply for Pell Grants at no additional cost, effort, or inconvenience. This policy should contribute to the more effective coordination of State and Federal aid resources.

3. The Florida Student Assistance Grants (FSAG) should be maintained with priority for fund distribution to applicants with the greatest absolute need based on their total family resources.

Under current FSAG procedures, students are ranked according to financial need from greatest to least need. Awards are distributed down the list of FSAG applicants until all funds are exhausted. "Financial need" is defined in this process as the difference between educational costs and a family's ability to pay. Simply put, the formula for financial need is: Educational Cost - Family Contribution = Financial Need. As cost increases, financial need increases. As financial ability to pay at a given institution increases, financial need decreases.

Because college costs are greater at most independent colleges, FSAG applicants from middle and upper income families who attend these institutions frequently demonstrate greater relative financial need (the difference between cost and ability to pay) than

applicants from lower income families who attend lower cost schools in the public sector. Therefore, in the current FSAG award procedure and with existing funding levels many lower income students are denied grants because funds are exhausted before their rank on the list is reached.

If the ranking procedure is changed to one in which students with the greatest absolute need, that is, the least ability to pay college costs, regardless of what these costs might be, were given highest priority in the distribution of FSAG awards, then more lower income students will receive more aid from this source in all sectors. It is recommended that FSAG applicants be ranked for award purposes according to total available resources from the parents, students, and Pell Grant awards. This procedure will result in more funds flowing to lower income students who have the least family financial resources to gain access to any postsecondary institution. This procedure will also take into account Pell Grants which are targeted to lower income students and permit these two State and Federal resources to better complement and supplement each other. Finally, this approach will be more sensitive to meeting the increasing financial needs of lower income students at public colleges and universities as their tuitions increase in response to the State's need to meet the rising cost of providing quality education in the public sector.

Table 1 in Appendix D illustrates the 1981-82 distribution and projected awards based on level funding for a four-year transition period during which applicants eligible under the present program would be allowed to renew their grants. No increase in funds is included.

Table 2 in Appendix D is a similar display which assumes a 10% increase in available funds each year. This percentage represents the national average growth for State need-based grant programs over the past two years according to the 1982 Survey of the National Association of State Scholarship and Grant Programs.

For both of these tables it is assumed that maximum grants would continue to be $1,200, tuition and fees or financial need, whichever is lowest.

4. The Tuition Voucher Program should be converted to a need-based grant program for students attending eligible independent colleges and universities in Florida.

Three major reasons for the creation of the Tuition Voucher Program were its potential contribution to:

- the maintenance of a strong dual system of postsecondary education in Florida;
- the provision of choice for students interested in pursuing their education in an independent Florida institution; and
- the potential savings to the State for every student who elected to attend an independent rather than public institution.

Awarding vouchers to higher income students without demonstrated financial need has limited effectiveness in terms of meeting these three purposes. In 1981-82, approximately 36% of the voucher applicants applied for no other form of State-administered financial aid including Guaranteed Student Loans. This proposal would improve the effectiveness of the program by distributing funds only to those students with demonstrated financial need. In order for the awards to keep pace with tuition and inflationary increases it is suggested that the maximum grant amount be indexed to growth in State general

revenue appropriations for public community colleges and universities. Under this approach, the Tuition Voucher Program would provide another form of tuition equalization grant assistance in coordination with the FSAG awards. In this regard, consideration should also be given to extending eligibility for the voucher funds to all degree granting independent colleges and universities participating in the FSAG program. The addition of a financial needs test will emphasize the student aid aspect of the voucher rather than institutional support and will reduce the rationale for the exclusion of the 21 institutions now limited to the FSAG. Rather than a flat grant, it is suggested that variable awards within an initial range of $500 to $1,000 be authorized.

Table 3 in Appendix D illustrates the distribution of the voucher funds for 81-82 and over the next four years assuming level funding and a grandfather clause for current recipients as well as the addition of all FSAG eligible independent institutions.

Table 4 covers the same period and incorporates an annual 5% increase in the voucher award levels.

During the course of the study consideration was given to the benefits of merging the Voucher and FSAG programs into a single need-based grant program. This action would simplify the administration and coordination of these resources. But there is considerable value in maintaining a separate, identifiable program which demonstrates the State's commitment to independent postsecondary education. The question of whether these two programs should be merged or remain distinct is secondary to insuring that State funds are used as effectively as possible to promote student access to postsecondary education in all sectors.

5. The Academic Scholars Program should be allowed to complete its first year of implementation under the procedures and criteria enacted by the 1982 Legislature before evaluating its effectiveness and recommending any further modifications.

This program, designed to retain Florida's academically talented students, was not implemented the first year it was authorized (1980), and went through major statutory changes this past Legislative session (1982). During the current school year, almost one-third ($500,000) of the appropriated funds for the program are being returned to the State Treasury due to a drop in the number of applicants. This history has made an evaluation of the program's effectiveness extremely difficult to perform. Research conducted in Florida, Pennsylvania, and elsewhere has indicated that financial aid is not the primary factor in determining where high academic achievers choose to pursue their studies. Other factors such as the perceived differences in the quality of institutions and program offerings have a greater impact on the brightest students' college choices.

It was suggested that the Academic Scholars awards be limited to students with demonstrated financial need. However, it was recognized that the awards were not intended primarily to serve as financial aid but to highlight the State's commitment to its best and brightest students.

Rather than propose this or other changes to the program at this point, such as limiting the number of awards and increasing their individual value, it is recommended that the program be allowed to complete a full year of implementation under the criteria and procedures enacted by the 1982 Legislature. In the interim, comparative data should be obtained from the independent sector and

community colleges (it is already being collected by the Board of Regents) on the rate at which Florida resident National Merit and Achievement Scholars have remained in-state for their education during the years preceding and following enactment of the Academic Scholars Program.

Work Study Program

6. The College Career Work Experience Program should complete its first year of implementation prior to an evaluation of its effectiveness.

Several states are currently exploring the work-study concept, which has excellent potential for improving cooperation between the educational and employment sectors while providing students with valuable experience for career selection and training. Under the Florida program, created by the 1982 Legislature, postsecondary students obtain part-time employment in jobs related to their studies. The State appropriation of $2 million for the program in 1982-83 is to be matched equally be employers who choose to participate. Due to the time involved in attracting matching funding and developing rules and procedures, this program is not yet fully implemented. An evaluation of the program's effectiveness would be premature at this time. Close monitoring will be required for the remainder of the first year to determine what, if any, changes may be required.

7. A portion of the OPS (Other Personnel Services) Funds available at public postsecondary institutions should be directed to students with demonstrated financial need.

In response to the institutional survey conducted as part of the study, public community colleges and universities reported paying over $10 million in 1981-82 to students in OPS (temporary or part-

time) positions. It is recommended that a portion (60%) of these OPS funds be directed to those students with demonstrated financial need. This policy would improve the coordination of available financial resources from other programs on individual campuses where this can most effectively take place and, at the same time help to complement the State aid programs. A phased-in schedule for implementation over three years - 20%, 40%, 60% - is recommended. Independent institutions should also explore the merits of this approach.

It was suggested that consideration be given to earmarking a portion of each State agency's OPS funds for student positions. However, establishing a set percentage for all agencies would probably be difficult to administer and enforce. For example, currently 95 of the 126 OPS positions (75.4%) in the Department of Education are held by students. Whether it would be feasible or appropriate for other agencies to match this level is questionable. As an alternative to setting specific numerical goals, the most promising course of action at present appears to be increasing awareness of the College Career Work Experience Program as an incentive for both public and private employers to hire students.

Standards of Academic Eligibility

8. A minimum grade-point average of 2.0 or "C" should be required of aid applicants for both initial receipt and renewal of FSAG, Tuition Voucher, and State work experience program awards.

At present, admission to an approved institution is the primary criterion for determining academic eligibility for the major State aid programs. Renewal of voucher and career work experience awards is permitted for students meeting institutional standards of

progress. FSAG renewals require at least a 2.0 grade point average for the previous academic year. Under these standards it is possible for a student to continue receiving a tuition voucher while failing to renew a student assistance grant. If financial aid resources are to consistently reinforce the State goals of access and quality, uniformity in the minimum academic standards established for these programs is appropriate. Initial State aid awards should require evidence of a minimum 2.0 or "C" grade point average for the applicants' previous academic work. Data compiled by the College Board on 35,949 1981-82 college bound seniors in Florida indicated that less than 3% of these students had high school grade point averages below 2.0. State aid applicants below this level would remain eligible for Pell grants, Guaranteed Student Loans and other forms of Federal and institutional aid, so access would not be unduly restricted by this policy. However, the State's commitment to the importance of adequate preparation for college level work would be reinforced by this action. Affected students should be able to be considered for State grant and work programs upon the satisfactory completion of one semester of full-time college enrollment. In recognition of the difficulty in using high school grades to determine the potential of older returning students, this minimum G.P.A. should not be imposed on applicants who have been out of school for more than five years. Renewal awards should require a student to have earned a 2.0 average for at least 24 semester credit hours or the equivalent during the preceding academic year. Programs designed to recognize outstanding academic achievement, such as the Academic Scholars awards, should be the only exception to this policy.

9. Beginning in 1984-85, those colleges and universities which offer Associate of Arts or Bachelor Degree programs should be required to administer the College Level Academic Skills Test (CLAST) in order for their students to be eligible for participation in State financial aid programs.

While a single standardized measure of academic achievement does not presently exist at the entry level for all Florida colleges and universities, the CLAST has the potential to serve this purpose at the sophomore level. Satisfactory performance on the test will be required, beginning in 1984-85, for receipt of an Associate of Arts degree in a public community college and entry into the upper-level (junior and senior year) of the State University System. In order to apply comparable academic standards in all sectors, independent institutions which offer Associate of Arts or Bachelor's degree programs should be invited to participate in this testing program as a condition for continued eligibility for State financial aid. In the event that passage of the test is required for individual student aid applicants, this policy should be applied to students in both public and independent colleges and universities.

Independent Student Status

10. Classification of State aid applicants as independent should generally be limited to those students who are 22 years of age or older.

An aid applicant who declares independent status will typically have a greater financial need than a dependent student due to the absence of any expected parental contribution. Based on the undergraduate students in the study survey sample, Florida has an above-average proportion of independent students (approximately 46%) in the aid applicant pool. This appears to be due in part to the higher median age of the states' general and student populations

rather than to an unusual level of manipulation of the need analysis system. Nevertheless, the establishment of a minimum age for declaring independent status without detailed evidence represents a means for ensuring that State aid is distributed to those with the greatest need. Students below the age of 22 who submit reasonable proof of their independent status through tax returns and other documentation should continue to be classified accordingly.

Graduate Students

11. While priority for State aid funds should continue to be placed on serving undergraduate students, options for providing additional support for graduate students should be considered.

The Advisory Committee and study consultants were in general agreement that priority for use of student aid funds should be placed at the undergraduate level. It was noted, however, that while a high percentage (98.8%) of the graduate students in the study survey attended the institution of their choice, their level of borrowing approached 50% of their total educational costs.

There are several existing and proposed mechanisms which could be of assistance in relieving the heavy debt burden which graduate students are incurring. For example, Legislatively-appropriated out-of-state fee waivers offered by the State universities could be focused to a greater extent at the graduate level. In 1982-83 approximately $2.2 million or 60% of the $3.8 million allocation for these waivers is to be used at the graduate level. The allocation formula could be adjusted systemwide or individually in accordance with each institution's priorities.

State Board of Education contracts with several independent institutions are now providing substantial tuition reduction for

graduate students in Social Work and Engineering. This approach could be expanded to include other programs at the graduate level.

Later in this report, the establishment of a Loan Forgiveness Fund is suggested as an incentive for increasing the number of Math and Science teachers in Florida. This concept could be extended to include graduate students training in areas of critical need who subsequently obtain employment in the State.

Part-Time Students

12. Need-based State aid programs should continue to be limited to full-time students. Financial assistance for part-time students should be provided through Federal, institutional, and other resources.

The increasing number of new and returning participating postsecondary education on less than a full-time basis is recognized. Between 1974 and 1981 the number of part-time students in both the independent and public sectors has doubled while the growth of full-time headcount enrollment has been much more limited. It has been assumed in the past that part-time students would demonstrate limited financial need due to higher employment income and other resources (such as a spouse's income) not generally available to full-time students. However, the extent of financial need among part-time students has not been documented in Florida. At the Federal level, relatively few part-time (enrolled at least half-time) students receive Pell grants or other forms of aid. In the student survey administered in the current study, 12.7% of the 1981-82 Pell grant recipients in Florida were identified as part-time. In order to respond to the financial needs of this group of students at the State level consideration was given to earmarking a

specific amount of the need-based grants for this purpose. But this approach could have several negative effects.

Since there presently is not enough money to fund all full-time applicants, earmarking funds for part-time student aid could result in awards going to students in this latter group who demonstrate lower net need than the cut-off point for full-time students.

A second consequence would be an increase in the FSAG applicant pool from 70,000 to over 140,000. Unless the grant program received a substantial increase in funds it is questionable whether the number of part-time students aided would justify the increased administrative expense and application cost for individual students as a result of this policy change.

It is believed that individual student aid officers are in the best position to determine the financial aid needs of part-time students. The following recommendations relating to institutional aid would permit some flexibility for institutions to direct resources to part-time students where appropriate.

Community Colleges

13. Each community college should be authorized to levy an additional student fee of up to $1.00 or more per credit hour or credit hour equivalent, to be used solely for financial aid purposes, the maximum amount to be established and subsequently modified as required by the State Board of Education.

This proposal is intended to enhance institutional flexibility and responsiveness while maintaining consistent statewide parameters for the use of aid funds. State Board of Education approval would be required for initial statewide authorization of the fees and any subsequent modifications. The actual fee level at each institution should be determined by the Board of Trustees with the advice of students,

faculty, and administrative staff. Use of these funds should be limited to financial need and recognition of academic merit.

At least half of the funds collected through this aid fee at each school should support need-based student assistance in keeping with the statutory priority placed on this use of financial aid. A minimum of 15% of the fees collected should be available for recognizing students with high academic ability. No more than 10% of these funds should be directed to the administrative support of the aid program. Criteria for the use of these funds should be consistent statewide. Demonstrated need should be determined in accordance with current State and Federal guidelines. Academic achievement awards should require a minimum grade point average of 3.2 for both initial receipt and renewal. Satisfactory academic progress should be a condition for continued eligibility for need-based awards. Both full- and part-time students should be allowed to receive support from this source based upon individual student needs and institutional priorities.

In order to focus on the primary missions of the community college system - college parallel and vocational instruction - students enrolled in Developmental and Citizenship courses should not be charged the fee and should not be eligible for support from these funds. Financial awards for purposes other than financial need and academic achievement should be funded through a specific state appropriation or from other resources available at the institutional level such as race track funds or private donations.

Proceeds from the fees may be used to comply with Federal maintenance of efforts requirements, serve as matching dollars to attract other aid resources, and enhance equal educational

opportunity. Each college should maintain accurate records on the expenditure of the funds collected and submit annual reports to the Division of Community Colleges. Based on current FTE projections, approximately $5 million would be available in 1983-84 systemwide if each school collected the maximum aid fee authorized under this recommendation.

State University System

14. Consideration should be given to the consolidation and increase of the two student fees - General Student Aid and Student Financial Aid - currently being assessed in the universities and application of the same statewide criteria for use of these fees as suggested for the proposed community college fee.

Collectively, the General Student Aid and Student Financial Aid fees currently amount to $1.06 per credit hour ($.62 and $.44 respectively). In 1981-82, they generated approximately $4 million for student aid purposes. According to a recent consultants' report on Student Services prepared for the Board of Regents, specific information on how these fees are being used is sometimes difficult to obtain. The General Student Aid Fee ($2.4 million in 1981-82) remains at the institution where collected and can be used for any purpose related to financial aid. Proceeds from the Student Financial Aid Fee ($1.6 million in 1981-82) are to be used for need-based and minority-based aid and are reallocated among the nine universities based on a family income survey originally conducted in 1973. This redistribution results in a few institutions receiving several times the amount initially collected in fees while other universities receive proportionately less. In order to improve the coordination of these resources with other forms of aid while maintaining institutional flexibility, it is proposed that all fees

remain at the institution where collected; that the two fees be consolidated into one and set within a range recommended by the Board of Regents; that each institution determine the actual fee to be charged based on input from students, faculty, and administrators; and that the same statewide criteria suggested for the community college fee be adopted - at least half of the funds awarded based on need, a minimum of 15% for academic achievers, and no more than 10% for financial aid administrative expenses. Each university should maintain accurate records and submit annual reports to the Board of Regents on the expenditure of these funds including the number of students served at each level. Three potential offsets for those institutions which would face reduced funding under this proposal are: a two-year phase-out of the present fee reallocation process; a possible increase in the maximum level for the consolidated student aid fee since the two existing fees have not been changed in over six years; and the impact of the recommended FSAG and Voucher program modifications which would assist low-income students in the public sector. The benefits in terms of a clearer picture of the use of these funds and closer coordination with State aid programs appear to outweigh the relatively small funding shifts involved. In addition to the student aid fees, the use of the Legislatively appropriated out-of-state fee waivers for both graduate and undergraduate students should continue to be monitored to assure that they complement available State aid resources.

Vocational Education

15. The Division of Vocational Education should cooperate with FSFAC and other appropriate entities in the development of an in-service training program to increase the participation of

district operated vocational-technical centers in Federal aid programs for which they are eligible.

16. By 1984-85, institutions in the public vocational sector should be included in need-based state grants if they are eligible to participate in the Pell Grant or Guaranteed Student Loan (GSL) Programs, and if they are complying with all applicable laws and rules including the charging of fees within the range established by the State Board of Education.

The study consultants have suggested that consideration be given to the inclusion of this sector in State aid programs in keeping with the statutory policy goal of providing aid at all levels of post high school education. Nationally, over 30 states extend aid to the public and private vocational sectors. At present, these institutions in Florida vary widely in their participation in Federal aid programs. In order to make the most effective use of limited State aid resources, institutional eligibility to participate in either the Pell or GSL Programs should be a necessary precondition to receipt of FSAG or other State dollars. At the same time, the Department of Education through the Division of Vocational Education and FSFAC should play an active role in assisting vocational centers to develop the necessary staffing and administrative procedures required to permit effective participation in both State and Federal aid programs by 1984-85. A budget request covering the cost of extending State aid to students in this sector should be developed by the Department for consideration by the 1984 Legislature. Grant eligibility should be limited to individuals enrolled in certificate or degree programs consisting of at least 900 clock hours of classroom instruction. State aid should not be diverted to the vocational centers at the expense of students currently eligible for State grants in the collegiate sectors. If sufficient need is demonstrated, a local option student aid fee similar to that proposed for the community

colleges and universities should be considered by the State Board of Education in 1984.

In 1981 the State Board of Education adopted a uniform student fee policy for postsecondary level vocational courses offered by school districts and community colleges. The purpose for this action was to require postsecondary students to pay a reasonable portion of the cost of their vocational instruction in either system. In order to make the most effective use of available funds, vocational-technical centers which have not adopted fee schedules within the range established by the State Board or which provide fee waivers to all students regardless of need should not be eligible to participate in State student aid grant programs.

Independent Business and Trade Schools

17. By 1984-85, licensed, accredited independent business and trade schools should be included in the Florida Student Assistance Grant Program if they are eligible to participate in the Pell Grant or Guaranteed Student Loan Programs.

Previous studies as well as the current consultants' report have recommended that consideration be given to inclusion of this sector in the FSAG program. As with the public vocational sector, participation in Federal aid programs varies widely among the independent business and trade schools. A number of these schools specialize in one field or offer courses of study lasting a few weeks or months and consequently are not eligible for Pell Grants and other Federal aid. It is suggested that, at the outset, State grant eligibility be limited to those institutions which are participating in the Pell or GSL Programs. State licensure and accreditation by a member of the Council on Postsecondary Accreditation (COPA) should be required for inclusion in the State

aid program in order to provide some assurance as to the quality standards of the programs offered. As with the public vocational sector, grant eligibility should be limited to students enrolled in a certificate or degree program consisting of at least 900 clock hours of classroom instruction.

Consideration of this option in the past has been hindered by an absence of statistical information on the students and institutions in this sector. Information on schools licensed by the State Board of Independent Postsecondary Vocational, Technical, Trade and Business Schools (SBIPVTTBS) indicates that an estimated 24 schools with a total enrollment of approximately 8,000 would be eligible to participate under the proposed criteria. One approach to identifying the number of potential applicants in this sector would be to add a specific amount to the FSAG program initially earmarked for this purpose. A second method would be collection of the necessary student information by SBIPVTTBS for consideration by the 1984 Legislature. Eligibility should not be extended to these institutions at the expense of students currently receiving State grants in the collegiate sectors. A decision on whether to make these schools eligible for tuition vouchers, if retained as a separate program, should be deferred until the Postsecondary Education Planning Commission completes its study of the proprietary sector in the summer of 1983.

Aid to Meet Critical Labor Market Needs

18. The Teacher Scholarship Program currently included in the 1983-85 budget request of the Department of Education should receive full consideration and support. In addition, the State should establish a Loan Forgiveness Fund for Florida students trained in fields where serious personnel shortages exist such as Math and Science Education, who obtain in-state employment in these areas of specialization.

The Department's 1983-85 budget request includes $800,000 for the creation of a Teacher Scholarship Program. The program would provide annual scholarship loans of $4,000 to students with high academic ability who enroll in teacher preparation programs. The scholarship/loans would either be repaid by a year of full-time teaching in a Florida public school for each $4,000 received or repaid in cash with interest charges added. This proposal will enhance the quality of students enrolled in Florida colleges of education and increase the pool of trained personnel available to teach in the State's public schools.

As a supplement to this approach the creation of a Loan Forgiveness Program is suggested to directly address the current shortage of math and science teachers in the public schools. Under this approach, students trained as math and science teachers who obtain employment in Florida would be eligible to have a portion of any student loans obtained in the course of their academic preparation repaid by the State. Principal payments of up to $2,500 per year for up to four years would be made by the State to the holder of the loan on behalf of the student employee. The actual source of the original loan would vary, e.g. FGSL, PLUS, NDSL, standard consumer bank loan. This wide range of alternatives would assure access to this program for students at all income levels. The program could be confined to students graduating from Florida public and independent institutions or extended to graduates of out-of-state institutions as well. The concept of the Loan Forgiveness Fund could be expanded to address other undergraduate and graduate training needs in addition to Math and Science Education

specifically identified by the State Board of Education and the Legislature.

It is recommended that the initial State appropriation for the Loan Forgiveness Fund be $125,000 the first year and $250,000 during the following year of the 1983-85 biennium. This would support 50 teachers initially and 100 the second year. This proposal will permit the State to address immediate personnel shortages by directing aid to those students who actually obtain work in Florida. The program would avoid the administrative burden and expense of collecting repayments from loan recipients who do not complete their studies or do not seek employment in the designated field.

Student Loans

19. Standby authority should be established for the issuance of Student Loan Revenue Bonds to permit Florida to serve as a secondary market or direct lender in the event that a significant limitation on availability of low interest student loans occurs either in general or for specific types of students such as those pursuing graduate or vocational studies.

In 1981-82, FGSL loan volume exceeded $160 million, a 13% increase from the previous year. This growth was in contrast to a 22% decline in the program nationally during this period. While eligibility for FGSL is technically extended to all persons enrolled at least half-time in approved postsecondary educational institutions, in practice loan distribution varies considerably according to the type of student and institution involved. The major cause for these differences is the size of the debt incurred by the student. Currently, lenders estimate that an average balance of at least $3,000 is needed to achieve a profit on a loan. As a result of this condition, undergraduate students enrolled in traditional educational programs (four-year baccalaureate degree-

granting colleges and universities), have relatively unrestricted access to GSL funds because their level of borrowing will generally exceed the necessary minimum. Students enrolled in short-term programs (e.g. vocational) and students with one year or less remaining in their programs (seniors, graduate, and professional students) do not always have access to these loans since their financial requirements, particularly in the case of vocational students, are less than the minimum balance required by most lenders.

Due to these conditions it is suggested that standby authority be established for the issuance of Student Loan Revenue Bonds for two purposes. Through the Student Financial Assistance Commission, the Department of Education could operate a Secondary Market for lenders making small balance loans, or it could serve as a direct lender for students unable to obtain loans elsewhere. By obtaining capital at tax exempt rates, the State should be in financial position to accept smaller balances than commercial profit-based institutions.

The exercise of this authority would be contingent on several factors. Due to changes made to the GSL program in 1981, and the ability to merge the loan and grant applicant files, some income information is now available for many GSL recipients. A comparative analysis of the number and volume of loans guaranteed annually and the income and enrollment patterns of a sample of the recipients would provide an indication of the extent to which increased loan access is required.

A second consideration would be the impact of the Federal PLUS loan program, a supplementary source of funds for parents, graduate students and independent undergraduates which is scheduled to begin operation in Florida in January, 1983. Loans must begin to be

repaid six months after the loan has been made. The interest rate for PLUS loans is presently set at 12%, which is still favorable compared to the rates on consumer loans, but still can pose a hardship due to the payback requirement. States such as Massachusetts and New Jersey have demonstrated the viability of this alternative program through vigorous promotion and communication with private lenders.

Third, individual lender restrictions or policy changes at the Federal level such as the loss of GSL eligibility for graduate and professional students would have to be taken into account if enacted.

Finally, several of the recommendations in this study relating to vocational, and graduate students, if implemented, will have effects on access which should be evaluated prior to the State's reentry into the Student Loan Bond arena.

While specific authorization for the sale of such bonds would be required by the Legislature and Cabinet, enactment of the appropriate statutory provisions in advance would enable the State to expedite implementation if the need arose.

This contingency loan authority should be considered as an alternative to the current law enacted by the 1982 Legislature which permits the creation of individual county loan authorities. It is believed that a centralized approach would provide for a more consistent and equitable distribution of student loan assistance.

In conjunction with this authority, the State should continue in its efforts to encourage lender and student participation in the existing Federal loan programs - PLUS and GSL.

Program Management

20. As a means of strengthening the administration of financial aid programs by a central State agency, the Legislature and the Department of Education should take the necessary steps to implement the recommendations contained in the 1982 Performance Audit of the Florida Student Financial Assistance Commission conducted by the Auditor General.

The 1982 Legislature requested that a Performance Audit be conducted for the purpose of reviewing the efficiency and effectiveness of the internal operations and management practices of the Florida Student Financial Assistance Commission (FSFAC). The audit, conducted during the summer of 1982 included the following major recommendations:

1. FSFAC should be abolished and its administrative duties assigned to the Department of Education.

2. The Florida Student Financial Aid Advisory Council should be abolished and a new advisory body created composed of representatives from private and public postsecondary educational institutions, professional student financial aid administrators, students, financial institutions, and the general public.

3. The Department should develop long-range plans for the Guaranteed Student Loan Program in order to estimate the resources needed to manage workload increases and ensure that the State's loan default rate remains within Federal limits. The plan should be reviewed at least annually.

4. The Department should develop formal written procedures and controls for its internal administration of student financial aid programs.

5. The Department should periodically evaluate its student financial aid activities to determine if they are efficient and contribute to program goals.

The Commission, Advisory Council, and Commissioner of Education have accepted the audit findings and have begun to initiate the actions necessary to carry out the recommendations listed above.

21. The Department of Education should annually review and validate a random sample of State grant award recipient records to determine the accuracy of the eligibility information provided.

A 1979 report by the U.S. Comptroller General, Inconsistencies in Awarding Financial Aid to Students Under Four Federal Programs, cited erroneous and fraudulent reporting by students and wide variation in the documentation of eligibility. In order to ensure the best use of available State aid funds the Department of Education should develop award validation procedures in cooperation with representatives from each sector for implementation beginning in 1984-85. This monitoring process should include no more than a 10% sample of the State grant recipients each year. A number of campus aid administrators are now requesting submission of income tax forms and other documentation to verify student need analysis data for Federal and institutional purposes. This information could also be used in the State review. Since the documentation would be examined after an award had been made this procedure should not result in any delay in the initial distribution of funds.

22. Consideration should be given to the more complete use of available Federal revenues for the enhancement of the administration of the Florida Guaranteed Student Loan Program.

In previous fiscal years, Florida has not completely used the Administrative Cost Allowances provided by guaranty agencies by the Federal government. For example, in 1981-82 FSFAC issued loan issuance commitments in excess of $160 million. The Administrative Cost Allowance, representing 1% of the volume of loans guaranteed would have generated approximately $1.6 million. This allowance is paid in the form of reimbursement for actual expenditures. Since the Florida Legislature authorized $700,000 in expenditures for the administration of the program in 1981-82, a balance of $900,000 in potential revenue from the Administrative Cost Allowance was not used. It should be noted that these funds may only be applied to administrative costs of the FGSL. Activities related to all other State administered aid programs must be supported from other sources. It is recommended that a specific plan for improvements in the administration of the FGSL program be prepared by the Department for consideration by the Legislature that would more fully utilize available Federal funds. Emphasis in the plan should be placed on lender collection assistance, default collections, monitoring individual institutional default rates, and data processing capability for loan servicing. To avoid long-term personnel liabilities in the event of a reduction in this source of Federal funds, all additional staffing requested in the plan should be on a temporary, or time-limited contract basis.

Student Financial Aid Data Base

23. The Department of Education should institute the necessary steps to develop and periodically update an inventory of all sources of financial aid received by postsecondary students in Florida.

It is clear that additional responsibility for financial assistance is going to be placed on the State. In order to assess the effectiveness of existing programs and determine the need for adjustments in the level of resources provided, some basic information on both the sources and recipients of financial aid will continue to be required. This data collection should be implemented with the advice and direction of aid administrtors and other institutional representatives to identify the appropriate data elements and collection procedures. In order to avoid an unreasonable additional reporting burden, existing sources of information such as the Federal FISAPP/FISCOP reports should be used as much as possible.

The aid inventory should be comprehensive both in terms of the resources documented (e.g. Federal and State aid, OPS, cooperative education, employer-sponsored instruction) as well as the institutions covered. In addition to institutional information, individual student data should periodically be analyzed on a sample basis to determine the impact of current and proposed policies on financial aid applicants and recipients. The FSAG applicant file maintained by the Department contains detailed information on over 70,000 students and represents an excellent foundation for any future research efforts.

In order to encourage the full participation of all sectors in this process, completion of the institutional inventory should be a requirement for State aid eligibility. This approach should not only clarify the financial aid picture at the State level but will also provide an incentive for increased coordination of aid resources at the institutional level.

Student Financial Aid Statutory Revision

24. Consideration of Student Financial Aid issues by the 1983 Florida Legislature should include a thorough review and revision of the Florida Statutes (Chapter 240, Part IV) on Scholarship and Financial Aid.

In addition to the general state policy for student financial aid and the organizational changes recommended in the performance audit, the Legislature should address any other modifications in this section of the Statutes which would contribute to a clearer understanding and functioning of the State financial aid system. At present, Chapter 240 contains references to aid programs no longer funded, student fees no longer collected and a number of other provisions that should be updated or deleted.

Student Financial Aid in Florida

Final Report and Recommendations

Appendices

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APPENDIX B

TABLE B-1

SOURCES OF AID FOR FLORIDA STUDENTS 1981-82

(DOLLARS IN THOUSANDS)

PROGRAMS	TOTAL	FEDERAL	STATE	INSTITUTIONAL	NOTES	SOURCE
Veterans Benefits	$128,938	$128,938			a	1
Florida Guaranteed Student Loans	160,038		$160,038			2
Basic Educational Opportunity Grants	84,536	84,536				3
Social Security Education Benefits	81,300	81,300			a	4
Comprehensive Employment and Training Act	59,927	59,927			a	5
College Work Study	19,191	15,993		3,198	b	3
National Direct Student Loans	13,601	4,961		8,640	c	3
Florida Student Assistance Grants	12,302	3,402	9,900			2
Supplemental Educational Opportunity Grants	10,207	10,207				3
Florida Tuition Voucher	7,241		7,241			2
Vocational Rehabilitation	4,793	4,793				6
Health Professions Assistance	3,269	3,269				7
Veteran's Administration Work Study	2,010	2,010				1
Military Tuition Assistance	1,049	1,049				8
Florida Academic Scholars	798		798			2
Other State Grants	153		153			2
Institutional Aid by Sector:						9
State University System	60,623			60,623		
Community Colleges	13,188			13,188		
ICUF Institutions	24,864			24,864		
Non-ICUF Institutions	1,705			1,705		
Voc-Tech Centers	209			209		
Proprietary	701			701		
TOTALS	$690,643					

Notes: a. FY 1980
b. Institutional 20% match
c. Institutional share includes funds from loan collections

Source: 1. Veterans Administration
2. Florida Student Financial Assistance Commission
3. U.S. Department of Education
4. Social Security Administration
5. Department of Labor and Employment Security
6. Department of Health & Rehabilitative Services, Department of Education
7. U.S. Public Health Service
8. Advisory Council on Military Education
9. Student Financial Aid Study Institutional Survey.

TABLE B-2

MAJOR SOURCES OF STATE AND FEDERAL STUDENT FINANCIAL ASSISTANCE IN FLORIDA
FUNDING / RECIPIENTS
1976 - 1983

STATE PROGRAMS		76-77	77-78	78-79	79-80	80-81	81-82	82-83
Florida Student Assistance Grant	$	7,356,179	8,359,362	9,151,344	10,327,243	11,655,464	12,302,086	14,035,503(g)
	#	7 388	8 299	9 662	11 071	12 821	14 083	16,237
Florida Student Loan	$	247,064	80,228	3,075				
	#	261	73	3				
Florida Insured Student Loan	$	15,016,613	9,897,039	(a)				
	#	11 112	7 069					
Guaranteed Student Loan (b)	$			33,509,234	98,290,466	141,521,156	160,037,727	
	#			13 154	38 992	53 564	61,538	
Tuition Voucher	$				2,512,700	5,019,050	7,241,166	9,500,000
	#				3 245	8 806	10 301	12 666
College Level Exam. Fee Waiver	$					6,320 (c)		
	#					316		
Academic Scholars	$						798,288	1,600,000
	#						1 271	
College Careers Work Experience	$							4,000,000(d)
	#							
Exceptional Child	$	175,000	175,000	175,000	75,000	75,000	74,365	50,000
	#	738	562	518	404	570	542	
Deceased/Disabled Veterans	$	31,000	50,000	50,000	50,000	50,000	50,000	50,000
	#	55	64	62	63	65	57	49
Seminole/Miccosukee Indian Scholarship	$	4,800	4,800	4,800	4,800	25,000	25,000	35,000
	#	9	4	4	3	25	36	
Confederate Memorial Scholarship	$	4,000	4,000	4,000	4,000	1,800	3,200	3,200
	#	25	16	16	9	9	20	20
State $ Subtotals	$	22,834,656	18,570,429	42,897,453	111,264,209	158,347,470	180,531,832	
FEDERAL PROGRAMS								
Basic Educational Opportunity Grants	$	45,227,208	54,597,925	57,553,356	84,279,000	85,352,000	84,536,000	80,195,000(f)
	#	59 819	65 572	64 450	87 600	106 100	105 800	
Supplemental Educational Opportunity Grants	$	5,698,000	6,070,000	6,744,000	8,964,000	10,649,000	10,207,000	9,753,000(f)
	#	10 377	11 256	11 264	16 600	18 200	16 646	
College Work Study Program	$	11,005,000	11,117,000	12,675,000	16,179,000	16,478,000	15,993,000	15,282,000(f)
	#	24 852	25 259	28 000	27 100	28 600	26 235	
National Direct Student Loans (e)	$	8,346,000	8,376,000	8,479,000	8,510,000	7,750,000	4,961,000	4,403,000(f)
	#	21 648	22 960	22 721	24 500	22 200	20 843	
Federal $ Subtotals	$	70,276,208	80,160,925	85,451,356	117,932,000	120,229,000	115,697,000	
Total $ All Programs	$	93,110,864	98,731,354	128,348,809	229,196,209	278,576,470	296,228,832	

Notes:
a. Loans sold to Student Marketing Association
b. Federal Fiscal year October 1 to September 30.
c. Total disbursements 79-80 and 80-81.
d. Includes $2,000,000 in employer matching contributions.
e. Federal Capital contribution only.
f. Preliminary estimate.
g. Includes $1.3 million Community College FSAG supplement.

Source: Florida Student Financial Assistance Commission; U.S. Department of Education, Office of Student Financial Assistance; Education Commission of the States.

TABLE B-3

AID RECIPIENT CHARACTERISTICS
FOR SELECTED AID PROGRAMS
1981-1982

	All Aid Applicants		PELL		FSAG		GSL		FTV	
	N	%	N	%	N	%	N	%	N	%
	(1,276)		(564)		(202)		(563)		(133)	
RACE										
White	694	63	273	49.6	92	52	399	76.6	66	53.2
Black	211	19.2	149	27.1	37	20.9	62	11.9	21	16.9
Hispanic	161	14.6	111	20.2	42	23.7	41	7.9	25	20.2
Other	35	3.2	17	3.1	6	3.4	19	3.6	12	9.7
Missing Cases	(175)	-	(14)	-	(25)	-	(32)	-	(9)	-
SEX										
Male	505	43.8	225	40.6	80	44.4	251	46.7	54	42.9
Female	649	56.2	329	59.4	100	55.6	287	53.3	72	57.1
Missing Cases	(122)	-	(10)	-	(22)	-	(15)	-	(7)	-
FAMILY INCOME LEVEL										
$ 0 - 4,999	306	32.2	182	35.5	81	45.8	128	36.8	19	19.4
5 - 9,999	202	21.3	116	22.7	39	22	67	19.3	14	14.3
10 - 19,999	243	25.6	144	28.1	32	18.1	76	21.8	33	33.7
20 - 29,999	118	12.4	53	10.4	19	10.7	43	12.4	18	18.4
30 - 39,999	51	5.4	16	3.1	4	2.3	17	4.9	7	7.1
40,000 - Over	29	3.1	1	.2	2	1.1	17	4.9	7	7.1
Missing Cases	(327)	-	(52)	-	(25)	-	(205)	-	(35)	-
DEPENDENCY										
Dependent	568	51.3	309	55.3	86	48.6	200	36.4	97	80.8
Independent	539	48.7	250	44.7	91	51.4	349	63.3	23	19.2
Missing Cases	(169)	-	(5)	-	(25)	-	(64)	-	(13)	-

Source: Student Financial Aid Study Aid Applicant Survey

TABLE B-4

AVERAGE UNDERGRADUATE STUDENT COSTS AND STUDENT AID

BY SECTOR AND TYPE OF STUDENT

1981-1982

SECTOR	N[1]	TUITION AND FEES	AVERAGE TOTAL STUDENT COSTS[2]	EXPECTED CONTRIBUTION: STUDENT	EXPECTED CONTRIBUTION: TOTAL FAMILY[3]	FINANCIAL AID: NET FINANCIAL NEED[4]	FINANCIAL AID: GRANTS	FINANCIAL AID: % OF NET NEED MET BY GRANTS	FINANCIAL AID: LOANS	FINANCIAL AID: OTHER AID
COMMUNITY COLLEGES	166	441	3,354	842	1,783	1,571	644	40.9	233	501
Commuter	123	441	2,741	814	1,827	914	637	50	148	520
Dependent Resident	8	441	3,641	655	2,443	2,112	865	40.9	200	180
Independent Resident	35	441	5,445	985	1,476	3,969	621	15.6	537	506
STATE UNIVERSITY SYSTEM	242	750	4,372	961	2,124	2,248	917	40.7	1,159	375
Commuter	59	750	3,050	638	1,777	1,273	612	48	1,094	411
Dependent Resident	97	750	3,950	751	2,482	1,468	936	63.7	1,054	252
Independent Resident	86	750	5,754	1,420	1,958	3,796	1,114	29.3	1,321	492
ICUF INSTITUTIONS	110	3,132	6,284	555	2,083	4,201	2,741	65.2	1,288	614
Commuter	40	3,132	5,432	277	2,230	3,202	3,320	103.6	1,252	685
Dependent Resident	53	3,132	6,332	605	2,001	4,331	2,389	55.1	1,151	529
Independent Resident	17	3,132	8,136	988	2,018	6,118	2,474	40.4	1,809	716
OTHER COLLEGES AND UNIVERSITIES	30	2,500	6,152	1,696	2,337	3,815	1,094	28.6	1,863	276
Commuter	13	2,500	4,800	1,544	2,640	2,160	611	28.2	1,516	38
Dependent Resident	3	2,500	5,700	710	4,210	1,490	1,964	131.8	633	0
Independent Resident	14	2,500	7,504	1,878	2,197	5,307	1,358	25.5	2,450	555

NOTES: 1. Students in the survey sample for whom income and expected contribution information was available.
2. Sector cost averages are weighted based on the number of students sampled in each category. Costs for married students with one or more dependents were not included in computing the averages.
3. Including Student Contribution.
4. Total Student Costs minus Total Family Contribution.

SOURCE: Florida Student Financial Assistance Commission; Student Financial Aid Study Aid Applicant Survey.

TABLE B-5

AVERAGE UNDERGRADUATE AWARDS[1]
NUMBER AND % OF RECIPIENTS
BY SECTOR AND PROGRAM
1981-1982

SECTOR		GRANTS									LOANS				OTHER AID						
		PELL	SEOG	FSAG	FTV	FAS	INST. SCHOL.	INST. GRANT	OTHER[3]	TOTAL GRANTS	NDSL	GSL	OTHER[4]	TOTAL LOANS	CWSP	TA[5]	VET ADMIN	SOC. SEC.	OTHER[6]	TOTAL OTHER	TOTAL AID
COMMUNITY	Avg $	774	451	306	0	600	419	158	482	899	750	740	1,152	1,607	1,675	0	4,868	2,342	2,090	2,027	1,786
COLLEGES	#	111	21	8		1	12	1	7	119	2	18	5	24	33		1	9	1	41	128
(N^2 = 166)	%	66.8	12.6	4.8		.6	7.2	.6	4.2	71.6	1.2	10.8	.3	14.4	19.8		.6	5.4	.6	24.6	77.1
STATE UNIV.	Avg $	892	648	704	0	739	848	383	670	1,334	960	2,175	907	1,920	1,028	0	5,372	2,212	694	1,282	2,870
SYSTEM	#	148	46	43		2	27	6	5	167	39	100	28	146	42		2	8	28	71	207
(N^2 = 242)	%	66.1	19	17.7		.8	11.1	2.4	2	69	16.1	41.3	11.5	60.3	17.3		.8	3	11.5	29.3	85.5
ICUF	Avg $	958	784	1,161	692	222	1,079	870	1,839	2,861	796	2,316	1,880	1,997	998	1,000	2,262	1,858	1,051	1,166	4,722
INSTITUTIONS	#	68	36	62	81	2	27	27	11	103	48	41	5	71	53	1	2	4	4	59	107
(N^2 = 110)	%	61.8	33.2	56.3	73.6	1.8	24.5	24.5	10	93.6	43.6	37.2	4.5	64.5	48.1	.9	1.8	3.6	3.6	53.6	97.2
OTHER COLLEGES	Avg $	932	334	1,000	469	0	750	0	500	1,428	770	1,734	1,860	2,431	669	0	6,264	0	0	2,068	3,594
AND UNIV.	#	20	4	9	4		2		1	23	2	18	5	23	3		1			4	27
(N^2 = 30)	%	66.6	13.3	.3	13.3		6.6		3.3	76.6	6.6	60	16.6	76	10		3.3			13.3	90

NOTES:
1. The average awards are based on the actual number of recipients in each program included in the survey sample.
2. Students in the survey for whom income and expected contribution information was available.
3. Includes other Federal, State, and miscellaneous grants, and fee waivers.
4. Includes other Federal, State, Institutional and miscellaneous loans.
5. Teaching or Research Assistantship
6. Includes other work study and other personnel services.

SOURCE: Student Financial Aid Study Aid Applicant Survey, AIFEIO.

TABLE B-6

MAJOR SOURCES OF FLORIDA STUDENT FINANCIAL AID

BY SECTOR

1981-1982

($ IN THOUSANDS)

SECTOR	FEDERAL	STATE	INSTITUTIONAL	EDUCATION BENEFITS[1] V.A.	SOC. SEC.[2]	TOTAL
SUS	40,758	66,137	60,623	29,201	23,465	220,184
Comm. Coll.	38,273	18,099	13,188	46,329	25,285	141,174
ICUF	32,357	56,715	24,864	6,122	12,935	132,993
Non-ICUF	10,395	17,044	1,705	6,658	3,185	38,987
Vo-Tech	1,316	2,097	209	5,765	NA	9,387
Indep. Business & Trade Schools	13,764	2,212	701	821	NA	17,498
TOTAL	136,863	162,304	101,290	94,896	64,870	560,223

NOTES: 1. Estimated based on institutional survey results and statewide Veterans Administration and Social Security data for FY 80-81.

2. Prorated based on 1981-82 full-time enrollment in each sector. Attendance status for vocational and proprietary students is not available.

SOURCES: U.S. Department of Education; Florida Student Financial Assistance Commission; Veterans Administration; Social Security Administration; Student Financial Aid Study Institutional Survey

TABLE B-7

FEDERAL STUDENT AID IN FLORIDA
BY SECTOR AND TYPE
1981-82
($ IN THOUSANDS)

TYPE OF AID

SECTOR	PELL	SEOG	CWS[1]	NDSL[2]	Other Grants	Other Loans	TOTAL
SUS	20,905	4,082	6,236	7,013	29	2,493	40,758
Comm. Coll.	27,381	1,596	6,547	468	289	1,992	38,273
ICUF	15,136	3,341	4,986	5,359	606	2,929	32,357
Non-ICUF	7,614	757	881	630	13	500	10,395
Vo-Tech	1,024	27	260		1	4	1,316
Indep. Business & Trade Schools	12,476	403	281	130	2	472	13,764
TOTAL	84,536	10,206	19,191	13,600	940	8,390	136,863

Notes: 1. Includes 20% institutional match
2. Includes revolving funds from loan collections

Sources: U.S. Department of Education; Student Financial Aid Study Institutional Survey

TABLE B-8

STATE STUDENT AID IN FLORIDA

BY SECTOR AND TYPE

1981-1982

($ IN THOUSANDS)

SECTOR	STUDENT ASSISTANCE GRANTS[1]	TUITION VOUCHERS	ACADEMIC SCHOLARS	FGSL[2]	MISC. FLA. GRANTS	MISC. FLA. LOANS	TOTAL
SUS	3,581	0	510	58,217	240	3,589	66,137
Comm. Coll.	320	0	61	17,181	152	385	18,099
ICUF	6,618	6,764	222	27,823	286	15,002	56,715
Non-ICUF	1,086	477	5	14,273	5	1,198	17,044
Vo-Tech	0	0	0	2,097	0	0	2,097
Indep. Business & Trade Schools	0	0	0	2,182	0	30	2,212
TOTAL	11,605	7,241	798	121,773	683	20,204	162,304

NOTES: 1. Actual disbursements as of June 30, 1982
2. Federal Fiscal Year, October 1, 1981 - September 30, 1982

SOURCES: Florida Student Financial Assistance Commission; Student Financial Aid Study Institutional Survey

TABLE B-9

INSTITUTIONAL STUDENT AID IN FLORIDA

BY SECTOR AND TYPE

1981-82

($ IN THOUSANDS)

SECTOR	TYPE OF AID									
	Scholar-ships	Grants-in-Aid	Fee Waivers	Work Study	Assistant-ships	Fellow-ships	Loans	OPS Employment	Other	TOTAL
SUS	5,975	2,469	4,095	4,096	16,655	1,970	12,985	10,324	2,054	60,623
Comm. Coll.	2,077	1,207	5,732	1,170	152		2,068	547	235	13,188
ICUF	9,569	3,936	4,037	1,762	2,137	265	1,051	1,376	731	24,864
Non-ICUF	786	95	70	130			603		21	1,705
Vo-Tech	38		116	45			4		6	209
Indep. Business & Trade Schools	34	15	12				576		64	701
TOTAL	18,479	7,722	14,062	7,203	18,944	2,235	17,287	12,247	3,111	101,290

Source: Student Financial Aid Study Institutional Survey

TABLE B-10

PARTICIPATION BY BLACKS AND HISPANICS IN
FLORIDA POSTSECONDARY EDUCATION

	TOTAL	BLACK	%	HISPANIC	%
Florida Population 1980	9,739,992	1,342,478	13.8	857,898	8.8
Florida High School Graduates 1980-81	88,755	15,777	17.8	6,144	6.9
Community College Enrollment* Fall 1981	183,767	18,693	10.2	19,343	10.5
SUS Enrollment* Fall 1981					
Undergraduate	107,613	10,459	9.58	6,770	6.2
Graduate	17,164	807	4.84	528	3.17
School District Adult Postsecondary Vocational Enrollment FY 81	216,593	37,100	17.1	18,225	8.4

* Preliminary Headcount

Source: 1980 U.S. Census; Divisions of Public Schools, Universities, Community Colleges and Vocational Education.

TABLE B-11

POSTSECONDARY ENROLLMENT AND FINANCIAL AID

BY SECTOR, 1974-75 and 1981-82

HEADCOUNT ENROLLMENT

Sector	Full-Time	Half and Part-Time	Total Financial Aid
1974-75			
SUS	78,049	27,165	$105,143,000
CC	77,182	66,386	88,072,000
SACS [a]	33,420	5,540	59,878,000
1981-82			
SUS	78,383	46,394	220,184,000
CC	84,299	132,083	141,174,000
ICUF [b]	44,189	12,776	132,993,000
OTHER INDEPENDENT [c]	10,695	2,618	38,987,000

Notes:

a. Independent Institutions accredited by the Southern Association of Colleges and Schools and eligible for the FSAG program

b. Independent Institutions holding membership in ICUF (Independent Colleges and Universities of Florida) and eligible for FSAG.

c. Non ICUF colleges and universities eligible for FSAG.

Source: Student Financial Assistance in Florida: Technical Report, 1976; Divisions of Universities and Community Colleges; State Board of Independent Colleges and Universities; Student Financial Aid Study Institutional Survey.

TABLE B-12

Total Dollars of Awards for Comprehensive
Undergraduate Need-Based Scholarship and Grant Programs
by States, Grouped by Payout Dollar Volumes
1976-77 to 1981-82

State	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	5-Yr Change
California	$ 68.388	$ 78.391	$ 78.694	$ 78.812	$ 85.540	$ 89.035	$ 20.647
Illinois	69.721	74.150	79.625	83.052	85.573	91.696	21.975
New York	188.000	220.000	232.900	252.200	245.507	276.450	88.450
Pennsylvania	65.050	72.308	71.791	78.100	79.879	82.226	17.176
Sub-Total	$391.159	$444.849	$463.010	$492.164	$496.499	$539.407	$148.248
Indiana	$ 18.209	$ 19.650	$ 21.100	$ 27.674	$ 23.255	$ 21.288	$ 3.079
Michigan	24.928	27.699	28.816	30.531	27.821	30.772	5.844
Minnesota	16.713	17.892	22.156	18.400	26.500	32.000	15.287
New Jersey	25.697	26.475	36.448	41.213	43.649	44.784	19.087
Ohio	25.000	23.638	25.925	28.100	27.402	40.812	15.812
Wisconsin	19.281	21.243	22.815	21.631	21.397	23.065	3.784
Sub-Total	$129.828	$136.597	$157.260	$167.549	$170.024	$192.721	$ 62.893
Florida	$ 6.922	$ 8.290	$ 9.186	$ 9.847	$ 11.527	$ 12.302	$ 5.380
Iowa	10.162	11.525	13.541	15.196	15.544	15.660	5.498
Massachusetts	13.470	14.599	15.465	13.650	16.365	16.500	3.030
Missouri	4.207	6.330	6.465	8.144	9.817	9.178	4.971
South Carolina	7.716	8.907	9.839	10.930	11.069	13.388	5.672
Texas	12.459	12.824	10.948	13.851	12.981	18.962	6.503
Sub-Total	$ 54.936	$ 62.475	$ 65.444	$ 71.618	$ 77.303	$ 85.990	$ 31.054
Colorado	$ 8.521	$ 9.771	$ 9.390	$ 9.755	$ 6.364	$ 7.290	$ (1.231)
Connecticut	5.761	6.801	7.604	6.690	7.189	7.148	1.387
Kansas	3.965	4.435	4.415	4.613	5.100	5.100	1.135
Kentucky	2.444	3.838	4.193	4.991	6.627	6.580	4.136
Maryland	1.729	4.489	4.938	5.552	5.741	5.873	4.144
Oregon	2.879	3.853	6.366	7.090	6.660	8.015	5.136
Rhode Island	2.388	2.797	3.305	3.792	4.616	6.500	4.112
Tennessee	1.447	2.977	3.668	5.978	6.475	7.169	5.722
Vermont	2.568	3.199	3.855	4.168	4.875	5.537	2.969
Washington	2.975	4.292	4.046	4.501	4.677	7.768	4.793
Sub-Total	$ 34.677	$ 46.452	$ 51.780	$ 57.130	$ 58.324	$ 66.980	$ 32.303
Arkansas	$ 0.246	$ 0.500	$ 0.747	$ 1.174	$ 2.046	$ 2.732	$ 2.486
Georgia	1.781	2.807	3.175	2.641	3.569	3.750	1.969
Mississippi	0.711	1.064	1.064	2.516	1.302	1.299	0.588
North Carolina	1.571	2.570	2.734	3.504	3.694	3.684	2.113
Oklahoma	1.256	1.672	1.846	2.265	2.041	2.067	0.811
Virginia	1.738	2.468	3.369	3.698	3.829	3.800	2.062
West Virginia	2.310	2.690	2.906	3.022	2.462	4.422	2.112
Sub-Total	$ 9.613	$ 13.771	$ 15.841	$ 18.820	$ 18.943	$ 21.754	$ 12.141
Alabama	$ 0.470	$ 0.546	$ 1.937	$ 2.131	$ 1.427	$ 0.403	$ (0.067)
Arizona	0.769	1.201	1.596	1.643	1.639	2.483	1.714
District of Columbia	0.689	0.873	0.928	1.073	0.789	1.118	0.429
Louisiana	0.558	0.595	0.641	0.823	1.062	2.186	1.628
Maine	0.487	0.531	1.091	1.360	1.179	0.400	(0.087
Nebraska	0.285	0.409	0.865	1.074	1.196	1.101	0.16
Puerto Rico	0.720	1.092	1.160	1.458	1.458	1.458	0.738
Utah	0.670	1.247	1.858	1.504	1.504	1.504	.834
Sub-Total	$ 4.648	$ 6.494	$ 10.067	$ 11.066	$ 10.254	$ 10.653	$ 6.005
Alaska	$ .072	$ 0.141	$ 0.150	$ 0.240	$ 0.312	$ 0.339	$ 0.267
American Samoa	0.250	0.293	0.297	0.618	0.719	0.719	0.469
Delaware	0.599	0.540	0.502	0.456	0.453	0.457	(0.142)
Guam	0.313	0.231	0.231	0.235	0.235	0.235	(0.078
Hawaii	0.186	0.298	0.496	0.452	0.516	0.737	0.551
Idaho	0.255	0.360	0.409	0.507	0.512	0.514	0.259
Montana	0.076	0.330	0.351	0.392	0.353	0.389	0.313
Nevada	0.000	0.173	0.172	0.291	0.287	0.150	0.150
New Hampshire	0.269	0.372	0.450	0.526	0.631	0.575	0.306
New Mexico	0.200	0.546	0.553	0.646	0.720	0.720	0.520
North Dakota	0.279	0.339	0.327	0.496	0.585	0.702	0.423
Northern Marianas	0.000	0.000	0.496	0.500	0.500	0.500	0.500
South Dakota	0.243	0.236	0.265	0.221	0.427	0.431	0.188
Trust Territory	0.560	0.560	0.505	0.505	0.505	0.505	(0.055)
Virgin Islands	0.413	0.473	0.437	0.214	0.104	0.104	(0.309)
Wyoming	0.028	0.056	0.195	0.251	0.052	0.100	0.072
Sub-Total	$ 3.743	$ 4.948	$ 5.836	$ 6.550	$ 6.911	$ 7.177	$ 3.434
Grand Total	$628.604	$715.586	$769.238	$824.897	$838.258	$924.682	$296.078

Source: National Association of State Scholarship and Grant Programs. NASSGP 13th Annual Survey, 1981-82 Academic Year. Pennsylvania Higher Education Assistance Agency, 1982.

TABLE B-13

Annual Percentage Gains or Losses in Total Dollars
For Comprehensive Need-Based Scholarship and Grant Programs,
by State, Grouped by Payout Dollar Volumes
1976-77 to 1981-82

State	1976 to 1977	1977 to 1978	1978 to 1979	1979 to 1980	1980 to 1981	5 Yr Change
California	14.6%	0.4%	0.2%	8.5%	4.1%	30.2%
Illinois	6.4%	7.4%	4.3%	3.0%	7.2%	31.5%
New York	17.0%	5.9%	8.3%	(2.7%)	12.6%	47.0%
Pennsylvania	11.2%	(0.7%)	8.8%	2.3%	2.9%	26.4%
Group Pcts.	13.7%	4.1%	6.3%	0.8%	8.6%	37.9%
Indiana	7.9%	7.4%	31.2%	(16.0%)	(8.5%)	16.9%
Michigan	11.1%	4.0%	5.9%	(8.9%)	10.6%	23.4%
Minnesota	7.1%	23.8%	(17.0%)	44.0%	20.8%	91.5%
New Jersey	3.0%	37.7%	13.1%	5.9%	2.6%	74.3%
Ohio	(5.4%)	9.7%	8.4%	(2.5%)	48.9%	63.2%
Wisconsin	10.2%	7.4%	(5.2%)	(1.1%)	7.8%	19.6%
Group Pcts.	5.2%	15.1%	6.5%	1.5%	13.3%	48.4%
Florida	19.8%	10.8%	7.2%	17.1%	6.7%	77.7%
Iowa	13.4%	17.5%	12.2%	2.3%	0.7%	54.1%
Massachusetts	8.4%	5.9%	(11.7%)	19.9%	0.8%	22.5%
Missouri	59.5%	2.1%	26.0%	20.5%	(6.5%)	118.2%
South Carolina	15.4%	10.5%	11.1%	1.3%	21.0%	73.5%
Texas	2.9%	(14.6%)	26.5%	(6.3%)	46.1%	52.2%
Group Pcts.	13.7%	4.8%	9.4%	7.9%	11.2%	56.5%
Colorado	14.7%	(3.9%)	3.9%	34.8%	14.6%	(14.4%)
Connecticut	18.1%	11.8%	(12.0%)	7.5%	(0.6%)	24.1%
Kansas	11.9%	N.C.	4.5%	10.6%	N.C.	28.6%
Kentucky	57.0%	9.2%	19.0%	32.8%	(0.7%)	169.2%
Maryland	159.6%	10.0%	12.4%	3.4%	2.3%	239.7%
Oregon	33.8%	65.2%	11.4%	(6.1%)	20.3%	178.4%
Rhode Island	17.1%	18.2%	14.7%	21.7%	40.8%	172.2%
Tennessee	105.7%	23.2%	63.0%	8.3%	10.7%	395.4%
Vermont	24.6%	20.5%	8.1%	17.0%	13.6%	115.6%
Washington	44.3%	(5.7%)	11.2%	3.9%	66.1%	161.1%
Group Pcts.	34.0%	11.5%	10.3%	2.1%	14.8%	93.2%
Arkansas	103.3%	49.4%	57.2%	74.3%	33.5%	1010.6%
Georgia	57.6%	13.1%	(16.8%)	35.1%	5.1%	110.6%
Mississippi	49.6%	N.C.	136.5%	(48.3%)	(0.2%)	82.7%
North Carolina	63.6%	6.4%	28.2%	5.4%	(0.3%)	134.5%
Oklahoma	33.1%	10.4%	22.7%	(9.9%)	1.3%	64.6%
Virginia	43.0%	35.5%	9.8%	3.3%	N.C.	118.6%
West Virginia	16.5%	8.0%	4.0%	(18.5%)	79.6%	91.4%
Group Pcts	43.3%	15.0%	18.8%	0.7%	14.8%	126.3%
Alabama	16.2%	254.8%	10.0%	(33.0%)	(71.8%)	(14.3%)
Arizona	56.2%	32.9%	2.9%	(0.2%)	51.5%	222.9%
District of Columbia	26.7%	6.3%	15.6%	(26.5%)	41.7%	62.3%
Louisiana	6.6%	7.7%	28.4%	29.0%	105.8%	291.8%
Maine	9.0%	105.5%	24.7%	(13.3%)	(66.1%)	(17.9%)
Nebraska	43.5%	109.3%	25.5%	11.4%	(7.9%)	286.3%
Puerto Rico	51.7%	6.2%	25.7%	N.C.	N.C.	102.5%
Utah	86.1%	49.0%	(19.1%)	N.C.	N.C.	124.5%
Group Pcts.	39.7%	55.0%	9.9%	-7.3%	3.9%	129.2%
Alaska	95.8%	6.4%	60.0%	30.0%	8.7%	370.8%
American Samoa	17.2%	1.4%	108.1%	16.3%	N.C.	187.6%
Delaware	(9.8%)	(7.0%)	(9.1%)	(0.7%)	0.9%	(23.7%)
Guam	(26.2%)	N.C.	1.7%	N.C.	N.C.	(24.9%)
Hawaii	60.2%	66.4%	(8.9%)	14.2%	42.8%	296.2%
Idaho	42.2%	13.6%	24.0%	1.0%	0.4%	101.6%
Montana	334.2%	6.4%	11.7%	(9.9%)	10.2%	411.8%
Nevada	N.A.	N.C.	69.2%	(1.4%)	(47.7%)	N.A.
New Hampshire	38.3%	21.0%	16.9%	20.0%	(8.9%)	113.8%
New Mexico	173.0%	1.3%	16.8%	11.5%	N.C.	260.0%
North Dakota	21.5%	(3.5%)	51.7%	17.9%	20.0%	151.6%
Northern Marianas	N.A.	N.A.	0.1%	N.C.	N.C.	N.A.
South Dakota	(2.9%)	12.3%	(16.6%)	(93.2%)	0.9%	77.4%
Trust Territory	N.C.	(9.8%)	N.C.	N.C.	N.C.	(9.8%)
Virgin Islands	14.5%	(7.6%)	(51.0%)	(51.4%)	N.C.	(74.6%)
Wyoming	100.0%	248.2%	28.7%	(79.3%)	92.3%	257.1%
Group Pcts.	32.1%	17.9%	12.2%	6.7%	3.6%	91.7%
All States	13.8%	7.5%	7.2%	1.6%	10.3%	47.7%

Source: National Association of State Scholarship and Grant Programs. NASSGP 13th Annual Survey, 1981-82 Academic Year. Pennsylvania Higher Education Assistance Agency, 1982.

TABLE B-14

PROGRAM CHARACTERISTICS
1981-82

Index of Effort - Dollars/Cents Per Estimated 1980 State Population in 1981-82 Undergraduate Need Based Comprehensive Scholarship/Grant Programs
Rank Order (High to Low)

State	1981-82 Dollars/Cents Effort Per Unit Population	1980-81 Dollars/Cents Effort Per Unit Population	Increase/Decrease From 1980-81 To 1981-82
New York	$ 16.68	$ 14.85	$+ 1.83
Vermont	10.83	9.53	+ 1.30
Illinois	8.03	7.49	+ 0.54
Minnesota	7.85	6.50	+ 1.35
Pennsylvania	6.93	6.73	+ 0.20
Rhode Island	6.86	4.87	+ 1.99
New Jersey	6.08	5.93	+ 0.15
Iowa	5.38	5.34	+ 0.04
Wisconsin	4.90	4.55	+ 0.35
South Carolina	4.29	3.55	+ 0.74
Indiana	3.88	4.24	- 0.36
Ohio	3.78	2.54	+ 1.24
California	3.76	3.61	+ 0.15
Michigan	3.32	3.00	+ 0.32
Oregon	3.04	2.53	+ 0.51
North Carolina	3.02	2.79	+ 0.23
Massachusetts	2.88	2.85	+ 0.03
Colorado	2.52	2.20	+ 0.32
Connecticut	2.30	2.31	- 0.01
Virginia	2.30	2.07	+ 0.23
West Virginia	2.27	1.26	+ 1.01
Kansas	2.16	2.16	0
Washington	1.88	1.13	+ 0.75
Missouri	1.87	2.00	- 0.13
Kentucky	1.80	1.81	- 0.01
District of Columbia	1.75	1.24	+ 0.51
Tennessee	1.56	1.41	+ 0.15
Maryland	1.39	1.36	+ 0.03
Texas	1.33	0.91	+ 0.42
Florida	1.26	1.18	+ 0.08
Arkansas	1.20	0.90	+ 0.30
North Dakota	1.08	0.90	+ 0.18
Utah	1.03	1.03	0
Arizona	.91	0.60	+ 0.31
Alaska	.85	0.78	+ 0.07
Delaware	.77	0.76	+ 0.01
Hawaii	.76	0.53	+ 0.23
Nebraska	.71	0.76	- 0.05
Georgia	.69	0.65	+ 0.04
Oklahoma	.68	0.67	+ 0.01
New Hampshire	.62	0.65	- 0.03
South Dakota	.62	0.62	0
Idaho	.55	0.54	+ 0.01
New Mexico	.55	0.55	0
Louisiana	.52	0.25	+ 0.27
Mississippi	.52	0.52	0
Montana	.49	0.45	+ 0.04
Maine	.36	1.05	- 0.69
Wyoming	.21	0.11	+ 0.10
Nevada	.19	0.36	- 0.17
Alabama	.11	0.37	- 0.26

Source: National Association of State Scholarship and Grant Programs. NASSGP 13th Annual Survey, 1981-82 Academic Year. Pennsylvania Higher Education Assistance Agency, 1982.

STUDENT FINANCIAL AID STUDY

PRINCIPAL CONSULTANTS

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SIMULATIONS OF FSAG AND VOUCHER RECOMMENDATIONS

BACKGROUND INFORMATION AND INITIAL OBSERVATIONS

This brief appendix contains a description of the data files used to produce these simulations of FSAG Option 3 and FTV Option 2, a description of the assumptions underlying these particular simulations, and some initial observations about what the numbers in the four tables appear to show. These simulations serve as useful general indications of the implications of adopting particular options, but they should be regarded as preliminary estimates not definitive indications of what will occur if a particular option is adopted. More definitive information will be available to state policy makers when the final simulation model is completed next month and the simulations are run against the more current 1982-83 applicant files.

Data File Information

The simulations contained in this appendix are based on a 20 percent sample of applicants drawn from the merged master file of applicants for Florida's financial aid programs in 1981-82. The original merged file contained data on over 116,000 applicants to the FSAG, FTV, FAS, and FGSL programs in 1981-82.

From this original merged applicant file, applicants from out of state, those who applied only for FGSL loans, graduate students applicants, and Florida residents who planned to attend an out of state institution were excluded from the subsequent sample file. The needed data elements from the original file were then retained in the new sample file. A 20 percent sample was taken containing information on 12,795 applicants for grant aid from one or more of Florida's grant programs.

Initial Observations on These Simulations

The tables in this appendix illustrate the potential impact of adopting two different options outlined in the consultants' report. These simulations differ from those provided earlier because they assume that current recipients who attempt to renew their grant or voucher will be able to do so even if they do not meet the requirements under the new distribution or eligibility mechanisms. New recipients each year of the four-year phase in would have grants and/or vouchers awarded on the basis of the new program criteria. Two different sets of assumptions about program funding levels are shown for each option. Table 1 shows the potential impact of adopting FSAG Option 3 which distributes new awards on the basis of students total resources (their total family contribution plus any Pell Grant award), permits current recipients who demonstrate need to renew their awards, and maintains the present level of overall program

funding. Table 2 allocates new awards on the same basis and treats renewal recipients in a similar manner, but assumes that program funding will increase by 10 percent per year over the next four years. Table 3 illustrates for current and prospective recipients in the 20 percent sample file, rather than the entire universe of recipients, the potential impact of changing the tuition voucher to a need-based program, permitting existing voucher recipients (whether they can demonstrate need or not) to renew their awards, making new voucher awards of $500 to $1,000 to applicants who can demonstrate at least $500 of net need, permitting applicants from independent institutions whose students are eligible for FSAG grants to participate in the voucher program as well, and maintaining the general level of support that is presently provided. Table 4 contains the same general provisions but also increases the size of the maximum voucher by 5 percent in each of the next four years.

FSAG--Option 3--Constant Funding(Table 1)

1. This table illustrates the potential impact of using total family resources (total family contribution plus Pell Grant amount) as the basis for distributing new FSAG awards, holds current recipients who continue to demonstrate need harmless when they renew, and maintains present funding levels for the program over the next four years.

2. This distribution mechanism produces a dramatic increase in the number of dependent low- and middle-income recipients, primarily among those attending community colleges or state university campuses.

3. Because of differences in the income levels of applicants and varying tuition charges among the sectors, this particular option produces a sharp reduction in the number of recipients in the independent sector. The provision that current recipients who continue to demonstrate need be permitted to renew their present grants, softens the initial impact of the change on these institutions for several years and holds current recipients harmless, but over four years the total number of FSAG recipients at ICUF institutions will diminish.

4. Overall, this option provides grants to those students with the fewest financial resources. Because more of these students attend lower priced public colleges and universities than attend independent institutions, the size of the average grant will drop each year and the number of recipients increase significantly.

FSAG--Option 3--Increased Funding(Table 2)

1. This table illustrates the potential impact of using total family resources as the basis for distributing new FSAG awards, holds current recipients who continue to demonstrate need harmless when they renew, and increases total program funding by 10 percent per year over the next four years.

2. This distribution mechanism produces a dramatic increase in the number of dependent low- and middle-income recipients, primarily among those attending community colleges or state university campuses.

3. Because of differences in the income levels of applicants and varying tuition charges among the sectors, this particular option produces a significant reduction in the number of recipients in the independent sector. The provision that current recipients who continue to demonstrate need be permitted to renew their present grants softens the initial impact of the change on these institutions for several years and holds current recipients harmless. The increased level of program funding each year of the phase in further softens the adverse impact on independent institutions, but they nonetheless would have fewer FSAG recipients over the next four years.

4. Overall, this option provides grants to those students with the fewest financial resources. Because more of these students attend lower priced public colleges and universities than attend independent institutions, the size of the average grant will drop each year and the number of recipients increase substantially. Increased program funding reinforces this result appreciably and the net effect is a 67 percent increase in the total number of FSAG recipients.

FTV--Option 2--$500-$1,000 Awards(Table 3)

1. This table illustrates the potential impact of changing the tuition voucher program to a need-based program, distributing new awards on the basis of net need($500 minimum required to receive a voucher), permitting current recipients who cannot demonstrate need to renew their awards, and allowing all needy applicants at independent institutions whose students can participate in the FSAG program to receive vouchers.

2. There would be an intial year increase in the total number of voucher recipients because of the inclusion of students with demonstrated need at other independent institutions, but over the next four years the total number of voucher recipients

would drop significantly, at least at ICUF institutions.

3. Program funding requirements would increase perceptably over current levels for the first several years because of the extension of eligibility to students with demonstrated need at other independent institutions. If policy makers want to avoid this increase in funding requirements, they may want to consider phasing in eligibility for students at these schools in much the same way as the original voucher eligibility at ICUF institutions was phased in over four years.

4. The implementation of a need-based, need-sensitive voucher program is likely to increase program effectiveness by providing funds to those students for who the money will make a difference in their attendance patterns. In this regard, some of the current voucher recipients who do not apply for other need-based aid may, in fact, be able to demonstrate need under the new program requirements. Because of the high school costs at such institutions and regular annual increases in tuition, it would not be surprising if 5,10, or a greater percentage of those shown as "non-needy" could demonstrate need if required to do so. If that assumption is correct, then the projected drop in voucher recipients at ICUF institutions would not be as great as shown in Table 3.

FTV--Option 2--Increased Maximum Award(Table 4)

1. The only difference between the results in Table 3 and this table would be in the size of the average award, total dollars in each sector, and the total cost of funding the need-based voucher program. The reason for this is that most of the current voucher recipients with demonstrated financial need will be able to demonstrate sufficient need each year to receive a maximum grant. Despite this, total program costs would only be eight percent higher in the fourth year than they are at present and at no time during the four years would the total voucher dollars flowing to students at independent institutions be lower than it is at present.

TABLE D-1

FSAG--OPTION 3--CONSTANT FUNDING

SECTOR	BASE YEAR (1981-82)	%	FIRST YEAR	%	SECOND YEAR	%	THIRD YEAR	%	FOURTH YEAR	%
COMMUNITY COLLEGES										
Number of Grants	1,352	10.2	1,849	13.5	2,372	16.9	2,895	20	3,441	23.1
Total Dollars	$501,293	4.2	$751,993	6.3	$1,017,984	8.5	$1,283,347	10.8	$1,599,810	13.1
Average Grant	$371		$407		$429		$443		$453	
STATE UNIVERSITY										
Number of Grants	5,184	39.1	5,733	42	6,337	45.1	6,930	48	7,553	50.8
Total Dollars	$3,652,446	30.8	$4,123,208	34.8	$4,633,452	39	$5,137,523	43.3	$5,664,961	47.7
Average Grant	$704		$719		$731		$741		$750	
ICUF										
Number of Grants	5,723	43.2	5,118	37.5	4,459	31.7	3,814	26.4	3,154	21.2
Total Dollars	$6,618,000	55.8	$5,952,169	50.2	$5,222,475	44	$4,511,176	38	$3,784,981	31.9
Average Grant	$1,156		$1,163		$1,171		$1,183		$1,200	
OTHER INDEPENDENT										
Number of Grants	988	7.4	922	6.7	858	6.1	795	5.5	710	4.7
Total Dollars	$1,086,000	9.1	$1,030,369	8.7	$997,716	8.4	$925,692	7.8	$847,987	7.1
Average Grant	$1,099		$1,117		$1,139		$1,165		$1,195	
TOTAL ALL SECTORS										
Number of Grants	13,247		13,622		14,026		14,434		14,858	
Total Dollars	$11,857,739		$11,857,739		$11,857,739		$11,857,739		$11,857,739	
Average Grant	$895		$870		$845		$822		$798	

TABLE D-2

FSAG--OPTION 3--INCREASED FUNDING*

SECTOR	BASE YEAR (1981-82)	%	FIRST YEAR	%	SECOND YEAR	%	THIRD YEAR	%	FOURTH YEAR	%
COMMUNITY COLLEGES										
Number of Grants	1,352	10.2	2,194	14.5	3,088	18	4,028	20.8	5,945	26.8
Total Dollars	$501,293	4.2	$909,841	6.9	$1,341,874	9.3	$1,796,116	11.3	$2,728,863	15.7
Average Grant	$371		$415		$434		$446		$459	
STATE UNIVERSITY										
Number of Grants	5,184	39.1	6,503	43	7,915	46.1	9,420	48.6	10,884	49.1
Total Dollars	$3,652,446	30.8	$4,700,208	36	$5,816,321	40.5	$7,004,558	44.3	$8,162,785	47
Average Grant	$705		$723		$735		$744		$750	
ICUF										
Number of Grants	5,723	43.2	5,418	35.8	5,129	29.9	4,860	25.1	4,414	19.9
Total Dollars	$6,618,000	55.8	$6,310,930	48.3	$6,026,118	42	$5,766,939	36.5	$5,296,754	30.5
Average Grant	$1,156		$1,165		$1,175		$1,187		$1,200	
OTHER INDEPENDENT										
Number of Grants	988	7.4	1,000	6.6	1,014	5.9	1,037	5.3	980	4.4
Total Dollars	$1,086,000	9.1	$1,122,533	8.5	$1,163,421	8.1	$1,214,679	7.6	$1,172,695	6.7
Average Grant	$1,099		$1,123		$1,148		$1,172		$1,196	
TOTAL ALL SECTORS										
Number of Grants	13,247		15,115		17,146		19,345		22,123	
Total Dollars	$11,857,739		$13,053,512		$14,347,734		$15,782,289		$17,361,097	
Average Grant	$895		$864		$837		$816		$785	

*Based on 10 percent annual increase in program funding.

TABLE D-3

FTV--OPTION 2--$500-$1,000 AWARDS

SECTOR	BASE YEAR (1981-82)	FIRST YEAR	SECOND YEAR	THIRD YEAR	FOURTH YEAR
ICUF					
Number of Vouchers	2,056*	1,893	1,648	1,402	1,156
Total Dollars	$1,531,720*	$1,620,950	$1,437,200	$1,252,700	$1,068,200
Average Voucher	$745	$856	$872	$894	$924
OTHER INDEPENDENT					
Number of Vouchers	134*	390	408	426	444
Total Dollars	$99,830*	$362,500	$376,000	$389,500	$403,000
Average Voucher	$745	$929	$922	$914	$908
TOTAL INDEPENDENT**					
Number of Vouchers	2,190*	2,283	2,056	1,826	1,600
Total Dollars	$1,631,550*	$1,983,450	$1,813,200	$1,642,200	$1,471,200
Average Voucher	$745	$869	$882	$899	$920

*Both number of voucher recipients and total dollars are based on figures from 20 percent sample file of 1981-82 Florida grant, voucher, and loan applicants. Current voucher recipients who cannot demonstrate financial need are permitted to renew their vouchers under terms of the present non-need-based program, but new awards are made on the basis of demonstrated need.

**Actual totals would be approximately 5 times the number of awards and dollars indicated.

TABLE D-4

FTV--OPTION 2--INCRFASED MAXIMUM AWARD*

SECTOR	BASE YEAR (1981-82)	FIRST YEAR	SECOND YEAR	THIRD YEAR	FOURTH YEAR
ICUF					
Number of Vouchers	2,056	1,893	1,648	1,402	1,156
Total Dollars	$1,531,720	$1,620,950	$1,537,800	$1,403,600	$1,279,460
Average Voucher	$745	$856	$933	$1,001	$1,107
OTHER INDEPENDENT					
Number of Vouchers	134	390	408	426	444
Total Dollars	$99,830	$362,500	$411,000	$442,000	$476,500
Average Voucher	$745	$929	$1,007	$1,038	$1,073
TOTAL INDEPENDENT**					
Number of Vouchers	2,190	2,283	2,056	1,826	1,600
Total Dollars	$1,631,550	$1,983,450	$1,948,800	$1,845,600	$1,755,960
Average Voucher	$745	$869	$948	$1,011	$1,097

*Based on need-based voucher awards of $500 to $1,000 the first year, except for current non-need voucher recipients who would continue to be eligible to renew their $750 awards. The size of the maximum voucher award in increased by 5 percent in each subsequent year for need-based recipients who can demonstrate that level of need. In the fourth year the vouchers would range in size from $500 to $1,160.

**Actual totals would be approximately 5 times the number of awards and dollars indicated.

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